MR. SPEAKER :—" The question is—

' That under rule 22 (3) of the Madras Assembly Rules, item No. II (5) on the agenda, namely, The Malabar Tenancy Amendment Bill, 1953 (L.A. Bill No. 12 of 1953), be taken up tomorrow and that the ' Government Motions (item III on the Agenda), be taken up now.' "

The motion was put and carried.

(2) AMENDMENTS TO THE MADRAS GENERAL SALES TAX (TURNOVER AND ASSESSMENT) RULES, 1939.

3-20 p.m. * THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I beg to move—

' *That the following draft amendments to the Madras General Sales Tax (Turnover and Assessment) Rules,* 1939 *(published with Revenue Department Notification No.* 818, *dated the* 12*th September* 1939, *at pages* 1–5 *of the Extraordinary issue of the* Fort St. George Gazette, *dated the* 15*th September* 1939, *as subsequently amended), which it is proposed to make in exercise of the powers conferred by Section* 3, *sub-sections* (4) *and* (5) *of the Madras General Sales Tax Act,* 1939 (*Madras Act IX of* 1939), *be approved.*

' *Amendment* (1) *relating to rule* 4-*A* (*iii*) *shall be deemed to have come into force on the* 1st *January* 1951. *Amendments* 3 (*i*) *and* (*ii*) *relating to sub-rules* (4) *and* (6) *of rule* 5-*A shall be deemed to have come into force on the* 1st *April* 1953.'

DRAFT AMENDMENTS.

In the said rules—

(1) *in rule* 4-*A, clause* (*iii*) *shall be omitted;*

(2) *in rule* 5, *sub-rule* (1)—

(i) *in the opening paragraph, for the brackets, letters and word* '(*a*) *to* (*k*) ', *the brackets, letters and word* ' (*a*) *to* (*l*) ' *shall be substituted;*

(ii) *in clause* (*j*), *the* word ' *and* ' *occurring at the end shall be omitted;*

(iii) *for clause* (*k*), *the following clause shall be substituted, namely :—*

" (*k*) *in the case of a registered manufacturer of groundnut oil (other than refined groundnut oil) and cake, the amount which he is entitled to deduct from his gross turnover under rule* 18 *subject to the conditions specified in that rule ; and* " ;

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(iv) *after clause (k), the following clause shall be added, namely :—*

"(*l*) *all amounts for which a licensed tanner bought untanned hides and skins which he sold as such but which were included in column (3) of the return in Form A-4 in a previous month.*"

(3) *in rule 5-A—*

(i) *to sub-rule (4), the following proviso shall be added, namely :—*

"*Provided that nothing contained in this sub-rule shall apply to applications for registration from persons dealing exclusively in handspun yarn and/or in cloth woven on handlooms wholly with hanspun yarn*".

(ii) *in sub-rule (6), after the words 'Every Registered dealer' occurring at the commencement, the words 'other than a person dealing exclusively in handspun yarn and/or in cloth woven on handlooms wholly with handspun yarn' shall be inserted;*

(iii) *to sub-rule (7) (ii), the following proviso shall be added, namely :—*

"*Provided that if he discontinues his business during the course of a year he shall pay in full the amount or amounts collected by him by way of tax or taxes to the State Government within sixty days from the date of such discontinuance*";

(4) *in rule 11—*

(*a*) *to sub-rule (1), the following proviso shall be added, namely :—*

"*Provided that every dealer who discontinues his business during the course of a year in which he has been provisionally assessed under rule 7 or 8 shall submit to the assessing authority concerned a return in Form 'A' for the period up to and inclusive of the date of discontinuance of business, in the manner prescribed in this sub-rule, within thirty days from the date of such discontinuance*";

(*b*) *in sub-rule (2), the following shall be added at the end, namely :—*

"*or for the year to which the return relates, as the case may be*";

(5) *in rule 13—*

(*a*) *in sub-rule (1), for the words, figures and brackets "in sub-rules (2) to (6)" the words, figures and brackets "in sub-rules (2) to (7)" shall be substituted;*

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(b) *in sub-rule (2), for the words "The dealer shall submit" occurring in the beginning, the following shall be substituted, namely :—*

"*Subject to the provisions of sub-rule (5), the dealer shall submit*";

(c) *in sub-rule (4), for the words and figures "if no return is submitted in respect of any month before the 25th day of the succeeding month" occurring in the beginning, the following shall be substituted, namely :—*

"*If no return is submitted in respect of any month before the 25th day of the succeeding month or before the expiry of the period prescribed in sub-rule (5)*";

(d) *sub-rules (5) and (6) shall be renumbered as sub-rules (6) and (7) respectively and after sub-rule (4), the following shall be inserted as sub-rule (5), namely :—*

"(5) *Every dealer who discontinues his business during the course of a year in which he is assessed under the method provided in these rules shall submit to the assessing authority concerned within thirty days of such discontinuance of business, a return in Form A-3, in the manner prescribed in sub-rule (2) for the month in which his business was discontinued*";

(e) *in sub-rule (6), as so renumbered—*

(i) *for the words, brackets and figures "as laid down in sub-rule (3) has been made", the following shall be substituted, namely :—*

"*as laid down in sub-rule (3) or (4) has been made or in the course of the year to which a return submitted under subrule (5) relates*";

(ii) *the following shall be added at the end, namely :—*

"*or for the year to which the return submitted under sub-rule (5) relates, as the case may be*";

(f) *in sub-rule (7) as renumbered,—*

(i) *for the brackets and figure "(5)" the brackets and figure "(6)" shall be substituted;*

(ii) *for the brackets and figure "(3)" the brackets, word and figures "(3" or "(4)" shall be substituted.*

(6) *in rule 15, for sub-rules (2) to (5), the following sub-rule shall be substituted, namely :—*

"(2) *Every person licensed to deal in hides or skins whether as tanner or otherwise, whose net turnover for a year has been or is expected to be not less than Rs. 10,000 shall submit so as to reach the assessing authority on or before the 25th day of every month, a return or returns in Form A-4 or Form A-5 or in both showing his transactions for the preceding month.*

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Along with the return or returns he shall also submit a receipt from a Government Treasury or a crossed cheque in favour of the assessing authority for the full amount of the tax or taxes payable for the months to which the return or returns relate under section 3, 5 *or* 8-*B* (2) *or under any notification issued under section* 6 (1).

(3) *The return or returns so submitted shall, subject to the provisions of sub-rule* (4), *be provisionally accepted.*

(4) *If no return is submitted in respect of any month before the* 25*th day of the succeeding month, or if any return is submitted without a receipt or crossed cheque for the full amount of the tax payable, or if any return submitted appears to be incorrect or incomplete, the assessing authority shall, after making such enquiry as he considers necessary and after giving the dealer an opportunity as prescribed in rule* 9 *of proving the correctness and completeness of his return or returns, determine the turnover to the best of his judgment and provisionally assess the tax or taxes payable for the month and shall serve upon the dealer a notice in Form B*-1 *and the dealer shall pay the sum demanded at the time and in the manner specified in the notice.*

(5) *After the close of the year in which the provisional assessment as laid down in sub-rule* (3) *or* (4) *has been made, the assessing authority shall, after such scrutiny of the accounts and after such enquiry as he considers necessary, satisfy himself that the returns filed are correct and complete, and finally assess under a single order on the basis of the returns, the tax or taxes payable under section* 3, 5 *or* 8-*B* (2) *or under any notification issued under section* 6 (1) *for the preceding year* :

Provided that if no return or returns have been submitted by the dealer as required by sub-rule (2), *or if any return or returns submitted by him appear to the assessing authority to be incorrect or incomplete, the assessing authority shall after making such enquiry as he considers necessary, and after giving the dealer an opportunity as prescribed in rule* 9 *of proving the correctness and completeness of the return or returns submitted by him. determine the turnover to the best of his judgment and finally assess under a single order the tax or taxes payable under section* 3, 5, *or* 8-*B* (2) *or under any notification issued under section* 6 (1) *for the preceding year.*

(6) *If the final assessment made under sub-rule* (5) *is greater than the provisional assessment made under sub-rule* (3) *or* (4) *the assessing authority shall serve upon the dealer, a notice in Form* ' *B* ' *and the dealer shall pay the sum demanded, at the time and in the manner specified in the*

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notice. If the final assessment is lower than the provisional assessment, he shall serve upon the dealer a notice in Form 'C'";

(7) *in rule 16, sub-rule (5) shall be omitted;*

(8) *in rule 18—*

(i) *for sub-rule (2) the following sub-rule shall be substituted, namely :—*

"(2) *Every such registered manufacturer of groundnut oil will be entitled to a deduction under clause (k) of sub-rule (1) of rule 5 equal to the value of the groundnut and/or kernel purchased by him and converted into oil and cake if he has paid tax to the State on such purchases :*

Provided that the amount for which the oil is sold is included in his net turnover :

Provided further that the amount of the turnover in respect of which deduction is allowed shall not exceed the amount of the turnover attributable to the groundnut and/or kernel used in the manufacture of oil and included in the net turnover.

Explanation.—For the purpose of this sub-rule—

(a) *143 lb. of groundnut shall be taken to be equivalent to 100 lb. of kernel.*

(b) *143 lb. of groundnut or 100 lb. of kernel when converted into oil will normally be taken to yield 40 lb. of oil; and*

(c) *One candy of oil shall be taken to be equivalent to 500 lb. of oil";*

(ii) *for sub-rule (3), the following sub-rule shall be substituted; namely :—*

"(3) *Every such registered manufacturer shall submit so as to reach the assessing authority not later than the 25th day of every month an application in Form A-9 in respect of the transactions relating to the previous month.";*

(iii) *for sub-rule (3-A), the following sub-rule shall be substituted, namely :—*

"(3-A) *If any manufacturer of groundnut oil fails to register himself under sub-rule (1), or any such manufacturer registered under sub-rule (1) submits the application in Form A-9 referred to in sub-rule (3) after the 25th day of the month, or if he omits to furnish therein any of the particulars required by that form, the Commerial Tax Officer of the district concerned may, in his discretion, after making such*

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enquiry as he considers necessary, condone the omission or delay or both, provided that such manufacturer of groundnut oil has maintained a true and correct account of his business showing all the particulars prescribed in Form A-9.";

(9) *in Forms A, B and C, for the words and figures* ' *the year ending the 31st March 19* ' *wherever they occur, the following shall be substituted, namely* :—

" The year ending 31st March 195 .

the period up to and inclusive of the date of discontinuance of business."

(10) *in Form A, after Note* (1), *the following shall be inserted as Note* (1) (*a*), *namely* :—

" (1) (*a*) *If the business has been discontinued in the course of a year, give the turnover up to and inclusive of the date of the discontinuance of business* ";

(11) *In Form A-3, in the heading for the brackets, words and figures* " [*see rule* 13 (2)] " *brackets, words and figures* " [*See rule* 13 (2) *and* (5)] " *shall be substituted.*

(12) *In Form A-4, for the statement, the following statement shall be substituted, namely* :—

" *Statement.*

Column number.	Particulars.
1	Name (s) and postal address (es) as tanners.
2	Place or places of business.
3	Amount for which hides and skins were purchased for tanning by the assessee (s).
4	Amount for which the tanner (s) bought the untanned hides and skins issued for tanning by him (them during the month out of those included in column (8) of the return in Form A-4 of the previous month. (Separate figures should be given for each month).
5	Total of columns (3) and (4).
6	Amount for which the tanner (s) bought the untanned hides and skins which he/they sold as such in the month. but which were included in column (3) of the return in Form A-4 for the previous month.
7	Net turnover liable to tax [column (5) *minus* column (6)].
8	Amount for which untanned hides and skins were purchased for purposes other than the purpose specified in column (3) ";

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(13) *for Form A-9, the following form shall be substituted, namely* :—

" Form A-9.

Application for deduction under rules 5 (1) (*k*) *and* 18 *of Turnover and Assessment Rule* [See *rules* 18 (3)].

To

The Assessing Authority.

Sir,

I/We , registered manufacturer (s) of groundnut oil at request that I/we may be granted deduction under rules 5 (1) (*k*) and 18 (2) of the Madras General Sales Tax (Turnover and Assessment) Rules, 1939, in respect of the sale of oil (manufactured by me/us) during the month of 195 , particulars of which are furnished below :—

1	Opening stock of groundnut and/or kernel.	
2	Quantity of groundnut and/or kernel purchased during the month.	
2 (*a*)	Quantity of groundnut and/or kernel purchased during the month for which the dealer was not liable to tax under the Act for some reason or other.	
	Total ..	
3	Rate at which purchased	
4	Value of groundnut and/or kernel purchased during the month.	
4 (*a*)	Amount of sales tax paid on the quantity in item 2 above.	
5	Quantity of groundnut and/or kernel sold during the month.	
6	Actual quantity of kernel crushed for conversion into oil during the month.	
7	Closing stock of groundnut and/or kernel for the month (item 1 *plus* 2 *minus* 5 *plus* 6).	
8	Opening stock of manufactured oil ..	
9	Quantity of oil manufactured during the month	
	Total ..	
10	Opening stock of purchased groundnut oil	
11	Quantity of oil purchased in the month	
	Total ..	

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12	Quantity of purchased oil sold in the month	
13	Closing stock of purchased oil ..	
14	Quantity of manufactured oil sold during the month	
15	Closing stock of manufactured oil (item 8 *plus* 9 *minus* 14)	
16	Percentage of yield (item 9) to the quantity of kernel crushed (item 6) ..	
17	Quantity of kernel for which deduction is claimed under rule 5 (1) (*k*) .	
18	Rate at which deduction is claimed on the quantity shown in items 1 and 2 ..	
19	Purchase value of kernel for which deduction is claimed	

Signature of the dealer.

NOTE.—(1) 500 lb. of oil is equivalent to one candy.

(2) The application should be submitted so as to reach the assessing authority not later than the 25th day of every month in respect of the transactions of the previous month."

(14) In Forms B and C, in the heading, for the brackets, words and figures "[*See* rule 12 and rule 13 (5)]" the bracket, words and figures "[*See* rules 12, 13 (7) and 15 (6)]" shall be substituted;

(15) In Form B-1, in the heading, for the brackets, words and figures "[*See* rule 13 (4)]", the brackets, words and figures "[*See* rule 13 (4) and rule 15 (4)]" shall be substituted.

(16) In Form B-2, for the words "year ending" the following shall be substituted, namely :—

"Year ending ______________________
the period up to and inclusive of the date of discontinuance of business,."

"Sir, the amendments have been already printed and circulated. All these amendments are proposed on the experience gained in the working of the General Sales Tax Act. I will give one or two instances.

"We have omitted one clause. I think it is clause 4. Under the Central Act, newspapers are exempt from the Sales Tax. So that clause is not necessary in the Rules. I have included one more clause, instead of sub-clauses (*a*) to (*k*) read sub-clauses (*a*) to (*l*). This is necessary because of some verbal changes and consequential amendments.

"In calculating the turnover, now the practice is the turnover for the whole year is taken and on that basis the tax is levied. It happens that before the expiry of the whole year, say within four

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or five months, a business may come to a standstill, that is, the dealer could not continue his business or he may stop it of his own accord. If his accounts are to be taken up after one full year, assessment and collection of tax will be difficult. So, provision has to be made even where the business has been carried only for five or six months, for that period assessment should be calculated and a demand made. The amendments have been before the House for long and I move that they be considered.''

The motion was put and carried.

(3) AMENDMENTS TO SCHEDULE IV TO THE MADRAS DISTRICT BOARDS ACT, 1920.

* THE HON. SRI K. RAJARAM :—'' Sir, I beg to move—

'*That the following draft of certain rules proposed to be made by the Governor of Madras in exercise of the powers conferred by section 201 of the Madras District Boards Act, 1920 (Madras Act IV of 1920), altering Schedule IV to that Act, be approved :—*

DRAFT RULES.

In the said Schedule—

(i) *for rules 32 and 33, the following rules shall be substituted, namely :—*

'' 32. (1) *Where any amount not being a tax in respect of which a notice has to be served under section 96, nor school fees nor rents for lands and buildings demised by the district board, is due from any person to the district board under this Act or any other law or rules or by-laws made thereunder, for the recovery of which there is no special provision in this Act, the Executive Authority shall serve upon such person a bill for the sum due before he proceeds to enforce the provisions of rule* 33.

(2) *A notice under section* 96 *and a bill under sub-rule* (1) *shall be signed by the Executive Authority or some person authorized by him in that behalf and shall contain—*

(*a*) *a statement of the period and a description of the occupation, property or thing for which the tax is charged or the amount is claimed; and*

(*b*) *a notice of the liability incurred in default of payment.*

(3) *No tax for any half-year or the amount due for a year shall be recovered from any person in the manner laid down in rule* 33 *unless the notice or bill is served upon such person either within that half-year or year or in the succeeding half-year or year as the case may be :*

Provided that where the assessment books have been amended under sub-rule (4) *of rule* 5, *the notice or bill*